

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2003**

	August-03				July-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Month	Net ROR	Fiscal YTD	FY03	Ended	Ended
											6/30/2003	6/30/2003
											Net	Net
LARGE CAP DOMESTIC EQUITY												
Structured Growth												
LA Capital	55,397,416	4.6%	4.5%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	40	0.0%	0.0%	N/A	26,332,951	2.2%	2.3%	3.53%	N/A	-1.48%	-20.46%	-5.64%
Total Structured Growth	55,397,456	4.6%	4.5%	3.16%	26,332,951	2.2%	2.3%	3.53%	6.80%	-1.48%	-20.46%	-5.64%
Russell 1000 Growth				2.49%				2.49%	5.04%	2.93%	-21.55%	-5.04%
Structured Value												
LSV	57,208,807	4.7%	4.5%	3.10%	55,342,548	4.7%	4.5%	1.21%	4.35%	-2.05%	9.06%	3.95%
Russell 1000 Value				1.56%				1.49%	3.07%	-1.02%	-2.19%	-0.17%
Enhanced Russell 1000 Index												
LA Capital (Wilshire)	55,619,057	4.6%	4.5%	2.41%	54,117,228	4.6%	4.5%	1.61%	4.07%	1.08%	N/A	N/A
Russell 1000				2.03%				1.99%	4.06%	0.96%	N/A	N/A
Enhanced S&P 500 Index												
Northern Trust	52,314,265	4.3%	4.5%	1.86%	51,181,066	4.3%	4.5%	1.73%	3.62%	0.28%	N/A	N/A
Strong	53,582,989	4.4%	4.5%	2.21%	52,234,243	4.4%	4.5%	1.28%	3.52%	3.30%	N/A	N/A
Westridge	59,557,515	4.9%	4.5%	1.96%	58,263,005	4.9%	4.5%	1.77%	3.76%	0.56%	N/A	N/A
Total Enhanced S&P 500 Index	165,454,770	13.7%	13.5%	2.01%	161,678,314	13.7%	13.5%	1.60%	3.64%	1.35%	N/A	N/A
S&P 500				1.95%				1.76%	3.74%	0.24%	N/A	N/A
S&P 500 Index												
State Street	37,080,435	3.1%	3.0%	1.95%	63,414,631	5.4%	5.3%	1.77%	3.75%	0.31%	-11.14%	-1.58%
S&P 500				1.95%				1.76%	3.74%	0.24%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	370,760,524	30.7%	30.0%	2.31%	360,885,671	30.5%	30.0%	1.71%	4.06%	0.49%	-9.68%	-2.32%
S&P 500				1.95%				1.76%	3.74%	0.24%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY												
Manager-of-Managers												
SEI	135,173,888	11.2%	10.0%	4.83%	128,912,989	10.9%	10.0%	6.11%	11.24%	0.68%	N/A	N/A
Russell 2000 + 200bp				4.75%				6.43%	11.48%	0.37%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	135,173,888	11.2%	10.0%	4.83%	128,912,989	10.9%	10.0%	6.11%	11.24%	0.68%	-3.37%	-0.65%
Russell 2000				4.58%				6.26%	11.13%	-1.64%	-3.30%	0.97%
INTERNATIONAL EQUITY												
Large Cap - Core												
State Street	49,857,735	4.1%	4.0%	3.19%	48,309,018	4.1%	4.0%	2.87%	6.14%	-9.96%	-13.28%	-4.72%
MSCI EAFE - 50% Hedged				2.77%				3.28%	6.14%	-11.24%	-14.65%	-4.18%
Large Cap - Active												
Capital Guardian	121,481,307	10.1%	10.0%	3.23%	117,627,835	9.9%	10.0%	4.37%	7.74%	-11.30%	-14.96%	0.47%
Bank of Ireland	22,601,378	1.9%	2.0%	-0.29%	22,681,221	1.9%	2.0%	0.97%	0.68%	-10.28%	N/A	N/A
Total Large Cap - Active	144,082,685	11.9%	12.0%	2.66%	140,309,056	11.9%	12.0%	3.81%	6.57%	-11.12%	-14.58%	0.74%
MSCI EAFE - 50% Hedged				2.77%				3.28%	6.14%	-11.24%	-14.65%	-4.18%
Small Cap - Active												
Lazard	25,936,054	2.2%	2.0%	3.24%	25,142,888	2.1%	2.0%	2.04%	5.34%	-2.32%	N/A	N/A
Wellington	25,928,329	2.1%	2.0%	4.93%	24,744,521	2.1%	2.0%	4.63%	9.78%	5.97%	N/A	N/A
Total Small Cap - Active	51,864,384	4.3%	4.0%	4.08%	49,887,410	4.2%	4.0%	3.36%	7.58%	1.75%	N/A	N/A
Citigroup Broad Market Index < \$2BN				6.30%				3.20%	9.70%	3.91%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	245,804,804	20.4%	20.0%	3.06%	238,505,483	20.2%	20.0%	3.52%	6.69%	-8.22%	-12.63%	-0.99%
MSCI EAFE - 50% Hedged				2.77%				3.28%	6.14%	-11.24%	-14.65%	-4.18%
EMERGING MARKETS EQUITY												
Capital Guardian	69,706,044	5.8%	5.0%	6.39%	65,519,495	5.5%	5.0%	5.63%	12.38%	7.15%	-10.61%	1.62%
MSCI Emerging Markets Free				6.71%				6.26%	13.39%	6.96%	-7.07%	2.49%
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	8,162,644	0.7%	1.0%	1.24%	8,057,410	0.7%	0.9%	-4.59%	-3.40%	13.42%	11.88%	8.58%
Lehman Aggregate				0.66%				-3.36%	-2.72%	10.39%	10.07%	7.54%
Active Duration												
WestAM (Criterion)	8,089,564	0.7%	1.0%	0.55%	8,042,180	0.7%	0.9%	-3.70%	-3.17%	9.93%	9.39%	6.85%
Lehman Aggregate				0.66%				-3.36%	-2.72%	10.39%	10.07%	7.54%
Index												
Bank of ND	13,351,913	1.1%	1.0%	0.55%	13,246,644	1.1%	1.0%	-4.32%	-3.80%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	8,839,009	0.7%	0.7%	0.48%	8,850,842	0.7%	0.7%	0.48%	0.95%	5.84%	5.84%	5.85%
Total Index	22,190,922	1.8%	1.8%	0.53%	22,097,486	1.9%	1.8%	-3.18%	-2.67%	10.77%	10.08%	7.44%
Lehman Gov/Credit				0.66%				-4.19%	-3.56%	13.15%	10.82%	7.83%

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	August-03				July-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month Net ROR	Market Value	Allocation	Policy	Month Net ROR	Fiscal YTD Net ROR	FY03 Net ROR	Ended 6/30/2003 Net	Ended 6/30/2003 Net
Convertibles												
TCW	9,361,405	0.8%	1.0%	0.68%	9,268,432	0.8%	0.9%	1.25%	1.93%	10.37%	-9.08%	N/A
First Boston Convertible Index				1.64%				0.45%	2.10%	15.35%	-3.81%	N/A
BBB Average Quality												
Strong	8,397,359	0.7%	1.0%	1.04%	8,311,464	0.7%	0.9%	-4.58%	-3.59%	14.81%	10.35%	N/A
Lehman BBB				0.98%				-4.49%	-3.55%	18.33%	9.91%	N/A
Timberland												
Evergreen (Wachovia)	17,383,724	1.4%	1.4%	-0.05%	17,376,309	1.5%	1.5%	-0.05%	-0.10%	12.50%	N/A	N/A
											N/A	N/A
TOTAL DOMESTIC FIXED INCOME	73,585,618	6.1%	7.0%	0.55%	73,153,280	6.2%	7.0%	-2.24%	-1.70%	11.62%	6.95%	6.77%
Lehman Aggregate				0.66%				-3.36%	-2.72%	10.39%	10.07%	7.54%
HIGH YIELD BONDS												
Western Asset	78,448,732	6.5%	7.0%	1.56%	77,244,994	6.5%	7.0%	-1.79%	-0.26%	20.04%	2.51%	4.15%
Lehman High Yield Bond Index				1.15%				-1.10%	0.04%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	25,919,126	2.1%	2.5%	-0.54%	26,089,365	2.2%	2.5%	-2.51%	-3.04%	18.20%	8.47%	5.93%
Citigroup Non-US Gov't Bond Index (1)				-0.85%				-2.59%	-3.41%	17.91%	8.10%	6.29%
International Core												
Brandywine	25,643,280	2.1%	2.5%	-1.10%	25,904,912	2.2%	2.5%	-2.49%	-3.56%	N/A	N/A	N/A
Lehman Global Aggregate (ex-US)				-0.90%				-2.59%	-3.47%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	51,562,406	4.3%	5.0%	-0.82%	51,994,277	4.4%	5.0%	-2.49%	-3.29%	17.83%	8.36%	5.86%
Citigroup Non-US Gov't Bond Index (1)				-0.85%				-2.59%	-3.41%	17.91%	8.10%	6.29%
REAL ESTATE												
JMB	24,781			0.00%	37,739			0.00%	0.00%	-18.62%	-5.76%	0.42%
INVESCO	61,391,237			0.11%	61,326,479			-0.02%	0.09%	8.15%	8.00%	7.69%
J.P. Morgan	48,860,800			0.95%	48,400,921			0.46%	1.42%	7.80%	7.36%	10.23%
TOTAL REAL ESTATE	110,276,819	9.1%	9.0%	0.51%	109,765,138	9.3%	9.0%	0.21%	0.72%	7.97%	7.69%	9.00%
NCREIF TOTAL INDEX				0.69%				0.69%	1.39%	7.42%	8.44%	10.11%
ALTERNATIVE INVESTMENTS												
Brinson IVCF III	1,145,235			0.00%	1,145,249			0.00%	0.00%	-16.94%	3.23%	52.67%
Coral Partners V	10,200,368			0.00%	10,200,368			0.00%	0.00%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	530,649			0.00%	530,649			0.00%	0.00%	-28.36%	N/A	N/A
Coral Partners VI	1,660,339			0.00%	1,660,339			0.00%	0.00%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,788,791			0.00%	1,788,791			0.00%	0.00%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,277,566			0.00%	2,277,566			0.00%	0.00%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	3,673,198			0.00%	3,673,198			0.00%	0.00%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	1,267,305			0.00%	1,267,305			0.00%	0.00%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	767,523			0.00%	767,523			0.00%	0.00%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	86,469			0.00%	86,469			0.00%	0.00%	N/A	N/A	N/A
Total Brinson Partnership Funds	9,860,854			0.00%	9,860,854			0.00%	0.00%	-7.69%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,245,411			0.00%	1,245,411			0.00%	0.00%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,200,037			0.00%	1,200,037			0.00%	0.00%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	787,228			0.00%	787,228			0.00%	0.00%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	1,129,005			0.00%	1,129,005			0.00%	0.00%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	76,199			0.00%	76,199			0.00%	0.00%	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	4,437,880			0.00%	4,437,880			0.00%	0.00%	7.71%	N/A	N/A
Brinson BVCF IV	6,146,627			0.00%	6,146,627			0.00%	0.00%	-14.64%	-18.80%	N/A
Matlin Patterson Global Opportunities	12,495,847			0.00%	12,495,847			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	819,568			0.00%	819,568			0.00%	0.00%	-12.50%	N/A	N/A
Hearthstone	3,145,238			0.00%	3,145,322			0.00%	0.00%	28.98%	13.57%	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	50,442,605	4.2%	5.0%	0.00%	50,442,702	4.3%	5.0%	0.00%	0.00%	-9.74%	-10.93%	4.40%
Post Venture Capital Index				3.81%				7.10%	11.18%	19.78%	-29.84%	-8.37%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	20,525,879	1.7%	2.0%	0.11%	26,459,666	2.2%	2.0%	0.11%	0.22%	1.84%	3.33%	4.22%
90 Day T-Bill				0.08%				0.07%	0.15%	1.52%	3.33%	4.07%
TOTAL FUND	1,206,287,319	100.00%	100.00%	2.35%	1,182,883,696	100.00%	100.00%	1.81%	4.20%	2.28%	-4.66%	1.45%
POLICY TARGET BENCHMARK				2.27%				2.10%	4.42%	3.11%	-5.70%	1.28%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.